

April 27, 2012

Evergreen International Airlines, Inc.
3850 Three Mile Road
McMinnville, Oregon 97128-9496
Attn: Sr. Vice President, Maintenance, Material & Engineering

**SUBJECT: NOTICE OF DEFAULT
AIRCRAFT ENGINE LEASE AGREEMENT - CONTRACT NO. 29400
ESN 517839**

Dear Sir:

This is to notify you that Evergreen International Airlines, Inc. ("Lessee") is in default of the Aircraft Engine Lease Agreement - Contract No. 29400, dated as of May 3, 2011, as amended (the "Lease"), between AAR Parts Trading, Inc. ("Lessor") and Lessee, with respect to engine serial number 517839 (the "Engine").

In particular, Lessee has failed to pay Daily Rent (as defined in the Lease) when due, as detailed in the attached Statement of Account, resulting in the total past due amount of \$348,331.00 (the "Past Due Amount").

Lessee's failure to pay such Daily Rent when due constitutes an Event of Default in accordance with Section 19.a.i. of the General Terms Engine Lease Agreement - Contract No. 25454, dated as of November 14, 2001, as amended (the "GTA"), the terms of which GTA are incorporated in the Lease.

Accordingly, in accordance with Section 19.a. of the GTA, Lessor hereby terminates the Lease, effective immediately; and Lessor demands that Lessee accomplish the following by 4:00 PM (Chicago time) on Friday, May 4, 2012 (the "Compliance Deadline"):

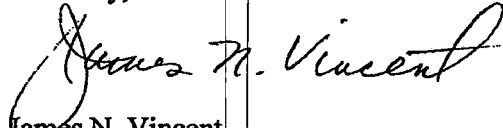
- A. Lessee shall cause the Engine to be returned to Lessor at Lessor's Wood Dale address, in accordance with the terms of the Lease; and**
- B. Lessee shall pay into Lessor's account the full Past Due Amount.**

If Lessee has not accomplished both of the above actions by the Compliance Deadline, Lessor will undertake appropriate legal action to safeguard Lessor's interests in the Lease and the Engine.

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Lessor hereby expressly reserves every right, power and remedy provided under the Lease or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy, whether specifically provided under the Lease or otherwise existing, which may be exercised from time to time and as often and in such order as may be deemed expedient by the Lessor, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

Sincerely,

A handwritten signature in cursive script, appearing to read "James N. Vincent".

James N. Vincent
Vice President

cc: AAR Parts Trading, Inc.
David Tatum
Nicole Cozzone
John Landman
Dave Lund
Steve deJong
Jana Nielsen
Stephanie Mackey
Fred Brostoff
Karen Nudelman

Balance in ATC Lease Accounts

Co. 205

4/25/2012

Customer Name	Customer #	Invoice #	Due Date	Invoice amount	Open Amnt	ESN	Description	Comments
Evergreen International Airlines Sales Rep: Nicole Cozzone	5803	20559894	8/5/2011	66,247.00	66,247.00	517839	Monthly Rent for Period 8/5/2011 through 9/4/2011	31 days @ \$2,137 per day
		20561200	9/5/2011	64,110.00	84,110.00	517839	Monthly Rent for Period 9/5/2011 through 10/4/2011	30 days @ \$2,137 per day
		20562162	10/5/2011	66,247.00	66,247.00	517839	Monthly Rent for Period 10/5/2011 through 11/4/2011	31 days @ \$2,137 per day
		20563422	11/5/2011	64,110.00	64,110.00	517839	Monthly Rent for Period 11/5/2011 through 12/4/2011	30 days @ \$2,137 per day
		20564698	12/5/2011	66,247.00	66,247.00	517839	Monthly Rent for Period 12/5/2011 through 1/4/2012	31 days @ \$2,137 per day
		20566590	1/5/2012	66,247.00	66,247.00	517839	Monthly Rent for Period 1/5/2012 through 2/4/2012	31 days @ \$2,137 per day
		20566658	2/5/2012	61,973.00	61,973.00	517839	Monthly Rent for Period 2/5/2012 through 3/4/2012	29 days @ \$2,137 per day
		20567249	2/24/2012	(44,877.00)		517839	Amendment charged for rent amount - now bill usage	
		20567248	2/24/2012	(61,973.00)	(61,973.00)	517839	Credit due to amendment - no longer bill rent	

Total Owed:

348,331.00